



An integrated EU trade and foreign policy

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Ladies and gentlemen,

Trade is the essential economic activity.

When one of our hunter-gatherer ancestors first exchanged a stone tool for his next meal, it was the beginning of trade and the beginning of the economy.

And every time someone working in a company across Europe gets a paycheque today thanks to exports, that's an economic activity too.

But trade has always been about more than economics.

It has been bringing people together for almost as long as we have been separating from each other.

Long distance trade may have begun as long as 40,000 years ago, not too long after we first ventured beyond Africa. Among the first products traded were decorative items like jewellery. They were cultural products. And they embodied an exchange of ideas.

Today too, it's impossible to divorce the contacts people make through trade from the wider set of contacts between them. Every time a consumer in China buys a product made in Belgium - and vice versa - their destinies are linked.

So it's also impossible to divorce the government policies that seek to influence trade from the wider set of policies that seek to influence international relations.

The defining duty of trade policy will always be to create economic opportunity. But trade is unlike other economic policies: it must support foreign policy too.

The European Union itself is the supreme example of how trade policy and foreign policy can be fused. We are meeting today at the centre of world's deepest free trade agreement. But it has done more than underpin our prosperity. It has united us after centuries of war.

The EU's trade and foreign policies can and must aspire to the same broad and overlapping goals as the European project itself.

I'd like to talk about three ways that trade can contribute:

Trade can help support security.

Trade can support global development.

And, most importantly, trade can help project European values on the global stage.

But I also want to say that this can only work when we take a comprehensive approach to EU external action, so all policies are mutually reinforcing.

Let's start with security.

In most cases, open markets and greater security are complementary. Dense economic ties between countries connect people and raise the costs of war. The primary debt trade policy therefore owes to foreign policy is to keep markets open, and open them further, as much as we can. That is the EU idea. That is what the EU's negotiators do every day.

We can also do more, focusing on opening markets that have particular security impacts, like our supplies of energy and raw materials. This is a consistent principle of Europe's trade policy. And we implement it both through our bilateral agreements - like TTIP - and through the World Trade Organisation. There we have won important cases on China's restrictions on rare earths and other vital raw materials

Trade is very much about partnership. The P in TTIP stands for partnership but we have concluded trade agreements with South Korea and Canada, partners with whom we also have close security relationships. We are also exploring closer trade cooperation with other close security partners, like Chile, Mexico, Australia and New Zealand.

However, at times Europe needs to be prepared to prioritise security over economics. That is where sanctions and export controls come in.

It was a difficult choice to impose an oil embargo on Iran. It required some Member States to diversify their sources of supply and risked higher prices. But the measures were instrumental in bringing Iran back to the negotiating table and making progress on the nuclear issue.

Another example we have today of trade's interaction with security is in Ukraine. Our approach there involves a combination of opening and closing markets.

Sanctions on Russia continue to be essential. But it has also been essential to use open markets to help Ukraine overcome its internal challenges. That is why the EU is already implementing our part of the deep and comprehensive free trade agreement with Ukraine,

providing access to our market of 500 million people. We are committed to the entering into force of the agreement by 2016.

The second foreign policy goal trade can support is development.

Development is a goal in itself. It's written into the EU's founding treaties that we want a more prosperous world for all people, not just Europeans.

Development also supports Europe's own prosperity. As we have seen, the world-changing economic success of China and other emerging economies has not only created new competition, it has also created new opportunities. The new global middle class - projected to reach almost 5 billion people by 2030 - are consumers of European products too.

Development also supports peace and security. When people can put food on the table, and when they see opportunities for themselves and their children, they do not have time to focus on old rivalries. It can create new opportunities for people in developing countries, maybe offering alternative ways then feeling forced to leave the country in order to be able to support your family.

Trade-led growth strategies have been at the heart of the success we have seen across the developing world in recent decades. A country like Vietnam is an excellent example. Since the 1980s its exports are up more than 50-fold. In parallel, the number of its people living in absolute poverty dropped by 42 million; and the share of the population that had completed secondary school tripled.

Europe's trade policy supports this kind of development in different ways:

We offer easy access to our market for products from all developing countries. And we offer completely free access to our market for the poorest countries in the world. That's part of the reason why the EU accounts for over half of the exports of a country like Bangladesh.

The European Union is also the world's largest provider of aid for trade. By targeting EU support at projects that will boost the capacity for trade, we provide long-lasting development prospects.

Finally, we remain and will continue to remain mindful of impact of TTIP and other major bilateral agreements on other partners, especially developing and least developed countries.

The third way trade supports foreign policy is by helping us make sure globalisation supports European - and universal - values like human rights, labour rights and the protection of the environment.

When partners sign EU trade agreements, they commit to the core standards of the International Labour Organisation– like the right to form unions and strike. They also agree to environmental treaties on issues like transport of hazardous waste and the protection of endangered species.

Outside our agreements, we also offer better market access in exchange for implementing global treaties on issues like racial discrimination, biological diversity and corruption.

Furthermore, we take a pragmatic and active approach to particularly sensitive issues like labour conditions in clothes factories in Bangladesh. The EU is working with the International Labour Organisation, the Bangladeshi government and the United States to make sure conditions are improved. We are now taking a similar approach in Myanmar, this time going beyond textiles.

We are also helping lead global negotiations for a trade agreement on environmental goods. The aim is to make it cheaper to trade in goods and services that help us tackle climate change, reduce air and water pollution and manage waste better. And we want a deal by the end of the year to strong message of support to the Paris climate conference.

Through the export controls regulation, trade also projects our values, restricting access to products used in torture and the death penalty.

Furthermore, we also use strategic bilateral trade agreements like the Transatlantic Trade and Investment Partnership as a vehicle to support those EU values that we share with the US - like democracy, open markets, the rule of law, and respect for the individual.

In a world where both of Europe and America will have a lesser voice in the future as emerging countries rise, working together is essential. And TTIP will help us do that.

That's what we do now. But the link between trade values is a personal priority for me so I plan to do more over the course of my mandate. One serious problem I've seen too much through my experience in Home Affairs is corruption. Its corrosive influence is highly damaging to societies around the world. I am exploring what more trade policy can do to support it.

In all these ways, trade policy can be used to support the European Union's broader international policy objectives.

But we should see this as a coordinated overall approach to the rest of the world, not just a one way street.

That's what the Lisbon Treaty requires of us. And that's what Vice President Mogherini's coordinating role in the Juncker Commission is about.

Take the example of Myanmar. As soon we decided to support the political transition, the Foreign Affairs Council lifted sanctions. Then we used trade policy to support much needed economic growth by reinstating trade preferences and opening negotiations for an investment agreement. And all of this is supported by development cooperation funds.

Another example include the fact that trade agreements are always linked to political agreements with our partners based on the whole range of international policies - from human rights to weapons of massive destruction. A serious violation of the political provisions can trigger the suspension of the trade agreement. So the objectives reinforce each other.

We are also getting better at using foreign policy tools - summits, ministerial meetings and all the workings of day to day diplomacy - to help us achieve what Europeans need from trade. But there is more we can do there. I am working right now on a new trade strategy, outlining the priorities in the coming years. One issue that needs to be addressed is the nexus between trade, values and foreign policy.

Ladies and gentlemen,

In a world that is more integrated every day...

... where through advanced communication technologies humanity is more connected to itself than at any time since our earliest days ...

... Europe must also approach the world in an integrated way.

That goes for cooperation between Members States and the EU level. And for cooperation between all the EU institutions. President Juncker, High Representative Mogherini, myself and all the other external relations Commissioners see things this way and try to increase internal coordination of our policies.

We count on the broader foreign policy community for your support.

Thank you.